

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)	
<hr/>)	CASE NO. 2003-00029
)	
ALLEGED FAILURE TO COMPLY WITH)	
ADMINISTRATIVE REGULATION)	
807 KAR 5:006, SECTION 3)	

O R D E R

On June 6, 2003, the Commission directed Louisville Gas and Electric Company ("LG&E") to appear at a hearing and to show cause why it should not be penalized, pursuant to KRS 278.990(1), for its alleged violations of the National Electric Safety Code ("NESC") which the Commission enforces pursuant to 807 KAR 5:041, Section 3.

On June 25, 2003, LG&E filed its response to the Commission's Order of June 6, 2003 and moved the Commission to suspend the hearing scheduled for July 15, 2003 and to schedule an informal conference with Commission Staff. The Commission granted LG&E's request, and representatives of LG&E and Commission Staff met on July 15, 2003 to discuss the facts surrounding the incident. Those discussions led to additional information being filed by LG&E concerning the incident and to the eventual execution of a Settlement Agreement by Commission Staff and LG&E resolving all issues in this matter. The Settlement Agreement is appended hereto.

In reviewing the Settlement Agreement, the Commission has considered, *inter alia*, the circumstances and seriousness of the incident that is the subject of this

proceeding, and LG&E's efforts to comply with the Commission's safety regulations. After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is incorporated into this Order as if fully set out herein.

2. The terms and conditions set forth in the Settlement Agreement are hereby adopted and approved.

3. Within 10 days of the date of this Order, LG&E shall pay to the Commonwealth of Kentucky the sum of Seven Thousand Five Hundred Dollars (\$7,500). This payment shall be in the form of a cashier's check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. Upon receipt of the aforesaid cashier's check, this case shall be closed and removed from the Commission's docket without further Order.

Done at Frankfort, Kentucky, this 17th day of February, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00029 DATED February 17, 2004.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)

_____)

ALLEGED FAILURE TO COMPLY WITH
ADMINISTRATIVE REGULATIONS
807 KAR 5:041, SECTION 3

CASE NO. 2003-00029

SETTLEMENT AGREEMENT

This Agreement is made and entered this 30th day of December, 2003 by and between the Staff of the Public Service Commission of Kentucky ("Commission Staff") and Louisville Gas and Electric Company ("LG&E").

WITNESSETH:

WHEREAS, Commission Staff issued a Utility Accident Investigation Report ("Investigation Report") detailing its investigation of an incident involving Bennie Hudson, an employee of B&B Electric Company, Inc., who was performing work for LG&E on a transmission line owned and maintained by LG&E. On November 17, 2003, Mr. Hudson was injured when the overhead static wire he was removing contacted a three -phase 69 KV transmission line.

WHEREAS, Commission Staff in its Investigation Report alleged that LG&E failed to comply with the National Electric Safety Code (1990 Edition) and that this failure constituted probable violations of Commission Regulations 807 KAR 5:041, Section 3;

WHEREAS, on June 6, 2003, the Public Service Commission ("Commission") found that prima facie evidence existed that LG&E had failed to comply with Commission Regulations 807 KAR 5:041, Section 3;

WHEREAS, on June 6, 2003, the Commission entered a show cause Order in Case No. 2003-00029 ordering LG&E to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violation of Commission Regulations;

WHEREAS, LG&E filed its response to the show cause Order and requested an informal conference with Commission Staff which was held at the Commission's offices on July 15, 2003; and

WHEREAS, LG&E and Commission Staff desire to settle the issues raised by this proceeding:

NOW, THEREFORE, LG&E and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, LG&E shall pay to the Commonwealth of Kentucky the sum of Seven Thousand Five Hundred Dollars (\$7,500). This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40601.
2. This Agreement is subject to the acceptance of, and the approval by, the Commission.
3. Nothing contained herein shall be construed as an admission of a violation of any Commission regulation or any provision of the NESC by LG&E; nor shall the

Commission's acceptance of this Agreement be construed as a finding of a violation of Commission regulation or any provision of the NESC.

4. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

5. If the Public Service Commission accepts and adopts this Settlement in its entirety and enters an order in this proceeding to that effect, LG&E shall not apply for rehearing in this proceeding nor bring an action for review of that Order.

6. Commission Staff shall recommend to the Public Service Commission that this Agreement be accepted and approved.

IN WITNESS WHEREOF, LG&E and Commission Staff have executed this Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE
COMMISSION OF KENTUCKY

LOUISVILLE GAS AND ELECTRIC COMPANY

BY: Anita Mitchell
ANITA MITCHELL
Staff Attorney

BY: Linda Portasik
LINDA PORTASIK
Attorney for LG&E